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SUBJECT: TURKEY MITIGATES THE EFFECTS OF RUSSIAN GAS CUTS

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11. (SBU) Summary. On January 6, the GOT announced Russian gas flowing to the West Line (a gas pipeline originating in Russia and transiting Ukraine) was cut off. In public statements, Energy Minister Guler and PM Erdogan sought to reassure the Turkish public the GOT is taking measures to deal with the crisis and that consumers will not be affected. Turkey plans to make up for the deficit by buying additional gas from Russia (via a direct pipeline called Blue Stream), by buying LNG on the spot market and other measures. Iran offered to sell additional gas to Turkey but Guler declined. End summary.

GOT Tells Public Not to Worry About Gas Cuts

12. (U) Below are excerpts from a press conference held by Energy Minister Guler on January 6. Guler said Russian gas flowing from the West Line to Turkey (a line that flows through Ukraine, Moldova, Romania and Bulgaria) was completely cut as of January 6. Turkey was first notified about a cut to 32 mcm (million cubic meters), then to 17 mcm, after which the gas was completely cut. Turkey is compensating for this loss with several actions including: (1) increased daily flows from the Blue Stream pipeline from 40 mcm to 48 mcm; (2) usage of gas from Turkey's underground storage facility; and (3) purchase of additional liquefied natural gas (LNG) cargos. Additionally, the Ministry of Energy has activated clauses in some contracts with power generators that require generators to switch from gas to alternative fuels in the event of a gas shortage. Turkey continues talks with Russia. Prime Minister Erdogan will talk to his counterpart, if needed. Other countries' ministers are also involved. Turkey wants to resolve this problem quickly. The GOT has the situation under control and does not expect the cut off to continue for long. The EU and the countries along the pipeline are also working with Gazprom to resolve the problem.

13. (U) Following Guler's press conference, PM Erdogan made a statement to the press. He confirmed the cut off of Russian gas via the West Line but said this is not a problem for Turkey. The GOT has taken precautionary measures to make up for gas cuts, so gas to customers and industry would be continued without interruption. Meanwhile, Turkey continues negotiations with Russia, Ukraine and Bulgaria. The PM expressed confidence that the issue will be resolved promptly.

Iran Offers Additional Gas Supply for Turkey

14. (U) Iranian Economic Counselor in Turkey Ahmad Noorani told

reporters Iran was ready to provide additional gas to Turkey to make up for the loss from the Russian gas cut. In his press conference, Guler confirmed Iran's offer but said for the moment, the amount of gas Turkey receives from Iran is sufficient, adding that Turkey will buy more gas from Iran if needed.

Gas to Greece Remains Constant But Will Not Increase

15. (U) Commenting on Turkey's gas flow to Greece, Guler said the amount of gas flow to Greece remains unchanged. Reuters reported that Greece asked Turkey to increase the gas flow through the Turkey-Greece interconnector, which Turkey reportedly declined to do.

16. (U) Speaking to the press, Ukraine's Ambassador to Turkey Sergei Korsunsky denied allegations that Ukraine shut down the valves to Europe, and claimed his country had sufficient stock of gas to last until April. Korsunsky noted that Ukraine sent a letter to Russia on January 5 to resolve the problem. Ukraine hopes to renew gas contracts with Russia as soon as possible. Both sides need political will and effort to resolve the problem. Expressing his disappointment that Turkey too was affected by the gas cut, Korsunsky argued Ukraine (would not unilaterally cut off gas to Europe).

17. (SBU) Informal advisor to Guler Faruk Demir assured us the Ministry is well-prepared for this gas cut. The GOT has been working on crisis scenarios since November and had even planned for a scenario in which gas from both the Russian West Line and the Iranian line were cut. Demir expects the problem will continue for 10-15 days, during which Turkey would be able to manage.

18. (SBU) Comment: Having dealt with Iranian gas cutoffs for the

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last two winters, the GOT is confident it can mitigate the effects of the current gas crisis. By our calculations, Turkey now has a gas deficit of 27 mcm. The longer the crisis continues the more expensive and difficult it may be for Turkey to make up this difference.